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## CHOICE OF DESTINATION, ACCOMMODATION AND TRANSPORTATION IN TIMES OF ECONOMIC CRISIS

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### **Abstract**

The aim of paper is to examine the influence of the global economic crisis on the choice of destination, accommodation and transport during 2009. The influence of the economic crisis on world tourism has been analysed by using Istria as an example of a tourist destination and on the basis of the results of a study carried out during the tourist season 2009 along the Istrian coast. The results show that tourists visiting Istria believe that the economic crisis did not have a great impact on their choice of Istria as their vacation destination nor did it, in their opinion, influence the choice of transportation. The results of this paper can be useful to tourist and transport organizations and management as helpful data source for taking into consideration all potential implications of the economic crisis, the consequences of which will have a negative impact even on the following tourist season.

**Keywords** Economic crisis, Tourist destination, Accommodation, Transport, Istrian County

### **INTRODUCTION**

Tourism is a complex socio-economic phenomenon in the case of which the consumption achieved affects all activities within national, regional and local economies (Jovičić, Jovičić, Ivanović, 2005; Mirković, 2002). Tourism also ensures multiplicative effects and the development of economic activities (and its participants) which participate with it in the market (Petrić, 2006; Mirković, 2002). Tourism is one of the world's fastest growing economic activities. However, at the same time, it can be considered as one of those economic activities within which business competition among rivals is the most pronounced aspect. The marked competition among the participants in the international tourism market is particularly pronounced in the modern conditions of globalization, liberalization and deregulation. As a consequence of that and in order to compete successfully in the international tourism market, there appears a need to obtain and maintain the competitive advantage of a particular tourist destination (Dwyer, Edwards, Mistilis, Roman, Scott, 2009, 63).

Croatian tourist destinations participate in the interactive international tourist market. Therefore, every significant disturbance in the economies of all European emissive markets, countries important for Croatia's tourism, inevitably affects the tourism industry in Croatian destinations. Given the negative consequences of the current economic recession in European countries, it is reasonable to expect in 2010 a decrease in Croatia's tourism income. In such a situation, it is possible to predict a substantial

decrease of the out-of-board consumption, assuming that the accommodation prices will not change in any significant manner. This raises questions about the success of the tourist destination in the international market, which depends on the general quality level of the services and products offered. Tourist destinations should adapt to these market terms through the improvement of their tourist offer competitiveness. The enrichment of tourist contents incites competitiveness and boosts economic and financial effects of the subjects involved in the tourist offer of a particular destination. The quality level of tourist services and products represents a function of various variables which can be considered to be part of a common management model: destination management. As a tourist offer takes its form within a particular tourist destination, and is made up of a series of partial participants who offer their own tourist products, it is rational to balance the efforts of all partial participants in order to create an integral tourist product (Bramwell and Sharman, 1999, 392).

Organization as a function of destination management is characterized by the essential demand to accomplish what is defined as a strategic goal of a particular tourist destination in the latter's plans and programmes. Hence the importance of the organizational structure as the fundamental framework within which there is an integration of different interests of various destination system elements (tourist offer providers, public administration, local community, civil society) and of their partial interests into a clear joint action in the tourism market which satisfies the interests of all actors involved (Magaš, 2008). Consequently, there arises a need to introduce a functional organization for destination management (DMO, *Destination Management Organisation*), which will represent the same framework necessary for the whole process of destination management, starting from development planning, through organizing available resources for the accomplishment of the defined aims to controlling and monitoring of the implementation of activities carried out (Stanić, 2008).

Since the tasks and activities of destination management also include (Čorak, 2008, 29):

- research and analysis,
- information and promotion,
- image building and destination branding,

it is evident that marketing activities are an integral part of destination management tasks. Market analysis and research is here very important and widely applicable. In fact, all business segments use market research results, especially in tourism. In times of economic crisis and recession it is almost impossible to expect success if only casual approach and improvisation are used.

The authors believe the important segment of tourist market marketing research is the one focused on establishing the impact of the global economic crisis on tourism flows in the countries of tourists' departure. Here a step further from a simple conclusion whether or not the economic crisis influences the flow of tourists should be made: relevant differences in the levels of the economic recession impact on tourism decision making between the countries of departure should be established. That was the premise of the research, the results of which are shown below.

## 1. TOURISM CRISES AND DISASTER MANAGEMENT

### 1.1. Crisis and disasters theoretical background

Much early management theory assumed relative stability in both internal and external environments of organisations and, therefore, did not provide a firm foundation for coping with change and crises (Both, 1993). If the implications of change were considered at all, this was viewed in terms of the challenge of coping with gradual (relatively predictable) change, rather than sudden changes which might test the organisation's ability to cope. Such situations might be described as crises or disasters. Given the specific focus of this paper on tourism industry, it should be borne in mind that references to "organisations" in this paper apply equally to destinations and host communities (Faulkner 2001, 136). One perspective on the nature of crises is provided by Selbst (1978 in Faulkner, 2001, 136), who refers to a crisis as "any action or failure to act that interferes with an (organisation's) on-going functions, the acceptable attainment of its objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority of its employees, clients or constituents." As Richardson (1994) says, it is apparent that we live in an increasingly complex world and this has contributed to making us more crisis or disaster prone. Complexity, in this context, refers to an intricacy and coherence of natural and human systems, which complicates the process of isolating cause and effect relationships in the manner so often assumed as being possible in traditional research.

Faulkner (2001, 136) emphasises the clear distinction between crises and disasters. According to him, *crisis* can be used to describe a situation where the root cause of an event is, to some extent, self-inflicted through such problems as inept management structures and practices or a failure to adapt to change. On the other hand, *disaster* can be used to refer to situations where an enterprise (or collection of enterprises in the case of a tourism destination) is confronted with sudden unpredictable catastrophic changes over which it has little control. However, it is not always clear where we locate specific events along this continuum because, even in the case of natural disasters, the damage experienced is often partially attributable to human action. Good management can avoid crises to some degree, but must equally incorporate strategies for coping with the unexpected event over which the organisation has little control.

In terms of the Chaos Theory, even apparently stable systems are frequently "at the edge of chaos", whereby a seemingly insignificant event may be enough to precipitate instability and change on such a scale that the integrity and coherence of the system appears to be threatened (Faulkner 2001, 137). The essence of crisis management can be viewed as "the art of removing much of the risk and uncertainty to allow you to achieve more control over your destiny" (Fink 1986, 15). As Fink (1986) emphasises, the Webster dictionary definition of a crisis refers to such events as "a turning point for better or worse". Crises and disasters therefore have transformational connotations, with each such event having potential positive (e.g. stimulus to innovation, recognition of new markets, etc.), as well as negative outcomes. In his definition of crises, Booth (1993) places an emphasis on the necessity of "exceptional measures" in the community's response by referring to the necessity of non-routine responses, but he adds that stress is created by the suddenness of the change and the pressure it places on

adaptive capabilities. Thus, a crisis is described as “a situation faced by an individual, group or organisation which they are unable to cope with by the use of normal routine procedures and in which stress is created by sudden change” (Booth 1993, 86).

Several other authors have attempted to distil the essential characteristics of crisis or disaster situations. A synthesis of these contributions produces the following key ingredients (Faulkner 2001, 138):

- A triggering event, which is so significant that it challenges the existing structure, routine operations or survival of the organisation;
- High threat, short decision time and an element of surprise and urgency,
- A perception of an inability to cope among those directly affected,
- A turning point, when decisive change, which may have both positive and negative connotations, is imminent. As Keown-McMullan (1997, 9) emphasises, “even if the crises is successfully managed, the organisation will have undergone significant change”,
- Characterised by “fluid, unstable, dynamic” situations (Fink 1986, 20).

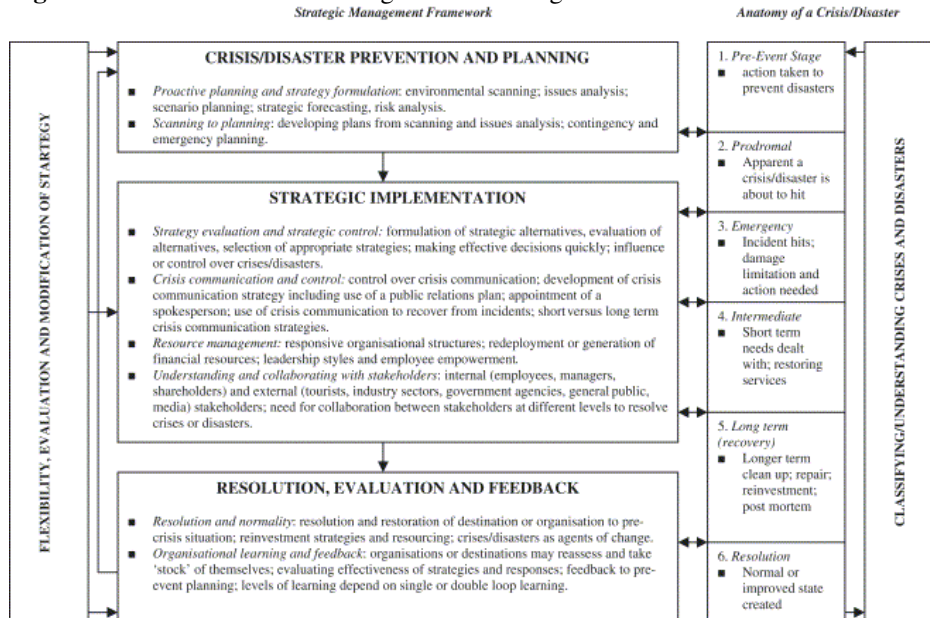
## **1.2. Crisis and disaster management in tourism**

The fact that tourism is an important economic sector for many countries and that many destinations are dependent upon tourism for their growth and survival puts increasing pressure on managers and planners concerned with tourism to consider the impact of crisis and disasters on the industry and develop strategies to deal with the impacts to protect tourism business. Crisis and disaster management should be a core competency for tourism destination managers as well as business managers (Ritchie 2004, 670).

In tourism context, the impacts of crisis and disasters on the market are often out of proportion with their actual disruptive effects because of exaggeration by the media (Drabek, 1992). As Young and Montgomery (1998, 4) have observed, “...a crisis has the potential to be detrimental to the marketability of any tourist destination, particularly if it is dramatized and distorted through rumours and the media”. The effectiveness with which the tourism industry in a disaster area handles a crises, and therefore for the degree to which it is prepared for it, has a bearing on how quickly services are restored to normal. However, the speed of the destination’s recovery ultimately hinges on the degree to which market communication plans have been integrated with crises and disaster management strategies (Faulkner 2001, 142).

Although many disasters are not predictable and their disruptive effects are generally unavoidable, through the development of a crisis management strategy, many potential hazards can either be totally avoided, or at least their impacts can be minimised as a consequence of the prompt response facilitated by the plan. Fig. 1 sets out a strategic framework for the planning and management of crises and disasters for public or private sector organisations.

**Figure 1: Crisis and disaster management: a strategic and holistic framework**



Source: Ritchie, B.W. (2004). Chaos, crises and disasters: a strategic approach to crisis management in the tourism industry, *Tourism Management*, Vol.25, Is.6, December, pp.674

The model suggests that a strategic management and planning approach to crisis and disaster management can be beneficial for tourism planners and managers. In particular, the model outlines three main stages in managing such incidents strategically: prevention and planning, implementation, evaluation and feedback. Within each stage various management tasks or activities are illustrated. The aspects illustrated in the model are considered by Ritchie (2004, 673) as the most common attributes in managing crises. However, at all stages of the strategic management process there needs to be flexibility, evaluation and potential modification to strategy development and implementation depending on the nature of the crisis/disaster (its magnitude, scale and time pressure) and stakeholder response to strategies. Authors such as Kash and Darling (1998) believe that although crisis management is a requirement for organisations, and although business leaders recognise this, many do not undertake productive steps to address crisis situations. Managers who do take productive steps will be in a much better position to respond when a crisis or disaster effects an organisation or destination.

## 2. METHODOLOGY

In order to strengthen comparative concurrent possibilities of Istria County as a tourist destination on the scientific project "Valorisation of selective forms of tourism in sustainable development of rural spaces", during 2009 a survey was pursued on a sample of tourists with intention to determine tourists' behaviour during crisis.

## **2.1. Respondents**

A total of 1,130<sup>1</sup> questionnaires were collected from tourists visiting Istria County in July, August and September 2009 and staying in five researched sites<sup>2</sup>: Pula and Medulin 14%, Poreč and Vrsar 59%, Rovinj 27%.

## **2.2. Instruments**

For the purpose of gathering data on tourists' behaviour during crisis, the questionnaire was constructed. It was consisted out of 22 questions which were divided into four sections. The first section of questions was related to demography (country of origin, age, gender, income, size of settlement, family members) and media usage. The second section of questions involved questions relating to tourists' perception of services offered and used during their vacation. The third section of questions was related to the tourists' major priorities in life and the last section of questions focused on determining extend of current crises on tourists' behaviour.

## **2.3. Procedure**

The sampling was carried out into two phases. In the first phase tourism towns were selected according to two criteria: 1) variety of hospitality facilities located in each site and 2) the number of arrivals<sup>3</sup> in the previous year. Each site had to reach, during July, August and September 2008, at least 6% of total arrivals in Istria County during the same period. The sites were than grouped according to the gravitating centres, so clusters were formed. Three of them with more than 15% of share in total arrivals: 1) Medulin and Pula, 2) Rovinj and 3) Poreč and Vrsar were chosen for conducting research. All categories of accommodation facilities were included.

In the second phase facilities were selected using random numbers. Total number of facilities was obtained for three formed clusters<sup>4</sup> Pula and Medulin 23, Rovinj 14 and Poreč and Vrsar 21. It was decided that 30% of 58 total facilities are to be include into research, so the research was carried out in 17 accommodation facilities. Questionnaire was available in following languages: English, German, Italian, Russian, Slovenian and Croatian. Survey was conducted from July to September. Facilities were visited on dates previously agreed upon with the hotels' managements. Guests were given questionnaires and were asked to fill them up with a supervision of researchers. Before filling the questionnaires guests were told that they were anonymous. Convenient sample was used. The data was processed through standard statistical procedure.

## **3. PATTERN CHARACTERISTICS**

Pattern characteristics are shown through: the country of arrival, the number of all visits to Istria to date, the size of the place of origin, the means of transportation used by tourists to reach the destination, the influence of the crisis on the choice of Istria, the influence of the crisis on the choice of transportation and the influence of the crisis on the choice of accommodation (cf. Table 1). These pattern characteristics have been chosen because of their supposed importance for the establishment of an interrelation

between certain characteristics. A research question about the existence of the connection between certain pattern characteristics has been posed and it has been decided to test statistically the supposed connection. It has been assumed that, for example, countries and groups of countries of origin, number of all visits to Istria to date and size of the places of origin are in a way connected with the influence of the economic crisis on the choice of Istria as a holiday destination.

**Table 1:** Pattern characteristics

| Item  | % answers | Item   | % answers |
|---|-----------|--|-----------|
| <b>Country of origin</b>                            |           | <b>Influence of the crisis on the choice of Istria</b>             |           |
| Other countries                                     | 17.76     | Totally  | 1.16      |
| United Kingdom                                      | 14.29     | It influenced  | 11.23     |
| Italy   | 14.59     | Neither  | 13.46     |
| German speaking countries                           | 53.37     | It did not influence   | 22.37     |
| <b>Number of repeat visits to Istria to date</b>    |           | It did not influence at all  | 51.78     |
| 6 and more  | 17.00     | <b>Influence of the crisis on the choice of transportation</b>     |           |
| 3-5 times   | 14.03     | Totally  | 1.45      |
| Second time   | 22.39     | It influenced  | 4.45      |
| 1 time  | 46.58     | Neither  | 11.09     |
| <b>Size of tourists' places of origin</b>           |           | It did not influence   | 21.00     |
| To 10000  | 35.49     | It did not influence at all  | 62.00     |
| 10000-100000  | 24.95     | <b>Influence of the crisis on the choice of accommodation type</b> |           |
| 10000-500000  | 13.08     | Totally  | 1.63      |
| Over 500000   | 26.48     | It influenced  | 8.96      |
| <b>Means of transportation used to reach Istria</b> |           | Neither  | 19.76     |
| Car   | 65.42     | It did not influence   | 29.63     |
| Plane   | 26.17     | It did not influence at all  | 40.02     |
| Bus   | 6.77      |  |           |
| Other   | 1.65      |  |           |

Source: Authors' analysis

There was then the assumption of a connection between all visits to Istria to date, country and group of countries of origin, means of transportation and the influence of the crisis on tourists' transportation choice. The connection between country and group of countries of origin, all visits to Istria to date, the size of the places of origin and the

influence of the economic crisis on tourists' accommodation choice was the final assumption.

According to the results of the research, more than 50 per cent of interviewees come from German-speaking countries; every seventh tourist comes from Italy and Great Britain, while every sixth tourist comes from some of the other countries. Most interviewees (every other) said to be in Istria for the first time, followed by those who said it was their second visit (every fourth); the number of tourists who said they have visited Istria six times or more was rather low (every sixth person), while the lowest is the number of those who said they have visited Istria three to five times. As far as the size of the places of origin is concerned, it is evident that most tourists (every third) live in places with less than 10,000 inhabitants. They are followed by tourists who live in places with over 500,000 inhabitants (every fourth tourist) and between 10,000 and 100,000 inhabitants (every fourth), while the least numerous are tourists who live in places with a number of inhabitants that ranges from 10,000 to 100,000 (every eighth). Six out of ten tourists used a car as a transportation mode to reach their holiday destination – Istria, a considerably lower number of tourists used a plane as a transportation mode (every fourth), an even lower number of tourists used buses (every fifteenth), while the number of tourists who used another means of transportation is irrelevant.

Most interviewees (51.78%) said that the crisis did not influence at all their choice of Istria as their holiday destination; every fourth tourists interviewed said that the crisis did not influence his/her choice of Istria; every seventh person interviewed said the crisis neither did nor did not influence their choice; only one out of ten interviewees said that the crisis influenced his/her choice of Istria, while an irrelevant part of interviewees (1.16%) stated the crisis totally influenced their choice of Istria. Six out of ten interviewees said that the crisis did not influence their choice of transportation mode at all; only every fifth tourist interviewed stated that the crisis did not influence the choice of transportation mode; every tenth interviewee said the crisis neither did nor did not influence his/her choice of transportation; only few interviewees (4.45%) stated that the crisis influenced their choice of transportation mode, while an irrelevant number of them (1.45%) said the crisis totally influenced their choice of transportation mode.

Most interviewees (four out of ten) stated that the crisis did not influence their choice of accommodation; they are followed by those tourists (three out of ten) who said the crisis did not influence their choice of accommodation; every fifth interviewee stated that the crisis neither did nor did not influence his/her choice of accommodation; a small part of them (8.96 %) said the crisis influenced their choice of accommodation; an insignificant number of interviewees (1.63%) reported the crisis totally influenced their choice of accommodation.



#### **4. ANALYSING THE CRISIS IMPACT ON THE CHOICE OF ISTRIA, TRANSPORTATION AND ACCOMMODATION**

For the analysis of the crisis impact on the choice of Istria, means of transportation and accommodation and in order to obtain a relevant conclusion, the results that have been obtained are elaborated with the use of standard statistical methods:

1. with univariate analysis basic pattern characteristics are shown
2. with bivariate analysis, through the Kruskal-Wallis test<sup>5</sup>, with which differences within particular tourist characteristics (country of origin, number of repeat visits to Istria to date, size of the place they come from, means of transportation used to reach the destination) in relation to the level of the impact of the crisis on some of tourists' choices (choice of Istria as their holiday destination, choice of transportation mode, choice of accommodation) have been analysed.

##### **4.1. The influence of the crisis on the choice of Istria and characteristics chosen by tourists**

In order to establish differences in the medians of the crisis influence on the choice of Istria made by tourists between:

- a) groups of tourists by taking into consideration certain countries or group of countries (German speaking countries, Italy, UK, other countries), where the country or the group of countries of origin represented an independent variable;
- b) groups of tourists by taking into consideration the number of repeat visits to Istria to date made by tourists interviewed (first, second, three to five, six or more visits), where the number of repeat visits to Istria to date of tourists interviewed represented an independent variable;
- c) groups of tourists taking into consideration the size of the place of origin (places with up to 10,000 inhabitants, places with 10,001 – 100,000 inhabitants, places with 100,001-500,000 inhabitants, places with over 500,001 inhabitants), where the size of the place of origin represented an independent variable: the non-parametric Kruskal-Wallis test was applied since its conditions had been satisfied<sup>6</sup>.

The dependent variable in each test was represented by the influence of the economic crisis on the choice of Istria as destination made by tourists, which was measured at various levels of influence (did not influence at all, did not influence, neither did nor didn't, influenced, totally influenced). The research results show that the groups of countries of origin statistically differ significantly as far as the measured level of the economic crisis influence on the choice of Istria as tourists' holiday destination is concerned ( $\chi^2(3, N=973)=55.301$ ;  $p=0.000$ ). The arrival of tourists from a particular country or group of countries explained a certain variance proportion of the ranked dependent variable which was used to measure the influence of the economic crisis on the choice of Istria as holiday destination made by tourists ( $\eta^2=0.0569$ ), which indicates a weak, though statistically significant, connection between the countries of origin and the influence of the economic crisis on the choice of Istria.

Moreover, the research results established that the groups of tourists with a different number of repeat visits to Istria to date statistically differ significantly from one another in case of the measured level of the economic crisis influence on tourists choosing Istria as their holiday destination ( $\chi^2$  (3, N=1.105)=10.858; p=0.013). The number of repeat visits to Istria to date explained a certain variance proportion of the ranked dependent variable used to measure the influence of the economic crisis on tourists choosing Istria as their holiday destination ( $\eta^2$ = 0.010), which indicates a weak, though statistically significant, connection between the number of tourists' visits to Istria to date and the influence of the economic crisis on the choice of Istria.

Statistically significant differences have not been established (cf. Table 2) between the sizes of places of origin in the measured level of the influence of the economic crisis on tourists choosing Istria as their holiday destination ( $\chi^2$  (3, N=910)=2.999; p=0.392).

**Table 2:** Differences between chosen tourists' characteristics in relation to the influence of the economic crisis on tourists' choice of Istria as holiday destination

| Variable 1                | Variable 2                | Z       | p     |
|---------------------------|---------------------------|---------|-------|
| Italy                     | Other countries           | - 4.082 | 0.000 |
| Italy                     | German speaking countries | - 7.144 | 0.000 |
| German speaking countries | United Kingdom            | - 4.040 | 0.000 |
| First visit               | More than six visits      | - 3.144 | 0.002 |

Source: Authors' analysis

For testing multiple comparisons the Mann-Whitney U test was used together with the Bonferroni correction<sup>7</sup> for the control of alpha errors.

The results show that as far as the level of influence of the economic crisis on the choice of Istria is concerned Italy as a country of origin differs significantly from the statistical point of view from German speaking countries and the group of other countries, but not from the United Kingdom. It is also shown a statistically significant difference between German speaking countries and the United Kingdom within the level of the economic crisis influence on the choice of Istria. Statistically significant differences have not been established between other pairs of observed countries or groups of countries within the level of influence of the economic crisis on the choice of Istria.

As to the level of influence of the economic crisis on the choice of Istria, the results show that tourists visiting Istria for the first time are statistically significantly different from those who have visited Istria six or more times, but not also from tourists who have visited Istria from two to five times. No statistically significant difference has been established between other pairs of the observed number of tourists' visits to Istria to date within the level of influence of the economic crisis on the choice of Istria.

#### 4.2. Influence of the crisis on the choice of means of transportation and chosen tourists' characteristics

With the aim of establishing differences in the medians of the influence of the economic crisis on the choice of transportation made by tourists between:

- groups of tourists by taking into consideration the number of repeat visits to Istria to date of tourists surveyed (first visit, second visit, three to five, six or more), where the number of tourists' visits to date represented an independent variable;
- groups of tourists by taking into consideration particular countries or groups of countries (German speaking countries, Italy, United Kingdom, other countries), where the country or the group of countries of origin represented an independent variable;
- groups of tourists by taking into consideration means of transportation chosen to reach Istria (car, plane, bus or other), where the means of transportation chosen by tourists represented an independent variable;

the non-parametric Kruskal-Wallis test, the conditions of which had been satisfied, was applied.

The dependent variable in each test was represented by the influence of the economic crisis on tourists' choice of transportation measured in accordance with five levels of influence (did not influence at all, did not influence, neither did nor didn't, it influenced, it totally influenced).

It has been established that groups of tourists with different number of repeat visits to Istria to date are statistically significantly different within the measured level of influence of the economic crisis on the choice of transportation ( $\chi^2$  (3, N=1.083)=9.964; p=0.019). The number of repeat visits to Istria to date explained a certain variance proportion of the ranked dependent variable used to measure the influence of the economic crisis on the choice of transportation ( $\eta^2= 0.009$ ), which indicates a weak, though statistically highly significant connection between countries of origin and the influence of the economic crisis on the choice of Istria.

No statistically significant differences (cf. Table 3) have been established between means of transportation that tourists used to reach Istria within the measured level of influence of the economic crisis on the choice of transportation ( $\chi^2$  (3, N=1.093)=7.074; p=0.070).

**Table 3:** Differences between the chosen tourists' characteristics in relation to the influence of the economic crisis on the choice of transportation

| Variable 1                | Variable 2           | Z       | p     |
|---------------------------|----------------------|---------|-------|
| First visit               | More than six visits | - 3.119 | 0.002 |
| German speaking countries | Italy                | - 3.600 | 0.000 |

Source: Authors' analysis

For testing multiple comparisons the Mann-Whitney U test was used together with the Bonferroni correction<sup>8</sup>, for the control of alpha errors.

On the basis of the result it is possible to notice that as far as the level of influence of the economic crisis on the choice of transportation is concerned tourists visiting Istria for the first time are statistically significantly different from tourists who have visited Istria six times or more, but not from tourists who have had from two to five visits to Istria. No statistically significant differences between other pairs of the observed number of repeat visits to Istria to date have been established within the level of influence of the economic crisis on the choice of transportation.

Statistically there is a significant difference between German speaking countries as a group of countries of origin and Italy, but not the United Kingdom and the group of other countries concerning the level of influence of the economic crisis on the choice of transport mode, as the results show. No statistically significant differences have been established between other pairs of the observed countries or group of countries within the level of influence of the economic crisis on the choice of means of transport.

#### **4.3. Influence of the crisis on the choice of accommodation and chosen tourists' characteristics**

In order to establish differences in the medians of the influence of the economic crisis on the choice of accommodation type between:

- a) groups of tourists by taking into consideration particular countries or group of countries (German speaking countries, Italy, United Kingdom, other countries), where the country or the group of countries of origin represented an independent variable;
- b) groups of tourists by taking into consideration the number of repeat visits to Istria to date (first visit, second, three to five visits, six visits or more), where the number of repeat visits to date represented an independent variable;
- c) groups of tourists by taking into consideration the size of places of origin (places with 10,000 people and less, places with 10,001 to 100,000 inhabitants; places with 100,001 to 500,000 inhabitants, places with over 500,001 inhabitants), where the size of places of origin represented an independent variable;

the non-parametric Kruskal-Wallis test, for which all conditions had been satisfied, was applied.

The dependent variable in each test was represented by the influence of the economic crisis on the choice of accommodation measured through five levels of influence (did not influence at all, did not influence, neither did nor didn't, it influenced, it totally influenced).

Statistically significant differences have been established between groups of countries of origin within the measured level of influence of the economic crisis on the choice of accommodation type ( $\chi^2(3, N=868)=71.765$ ;  $p=0.000$ ). The arrival of tourists from a particular country or a group of countries explained a moderate variance proportion of the ranked dependent variable used to measure the influence of the economic crisis on tourists' choice of accommodation ( $\eta^2=0.083$ ), which indicates the existence of a

mildly strong, though statistically highly significant, connection between the country of origin and the influence of the economic crisis on the choice of accommodation.

Moreover, a statistically significant difference has been established between groups of tourists with a different number of repeat visits to Istria to date within the level of influence of the economic crisis on the choice of accommodation ( $\chi^2$  (3, N=967)=11.163; p=0.011). The number of repeat visits to Istria to date explained a certain variance proportion of the ranked dependent variable used to measure the influence of the economic crisis on the choice of accommodation type ( $\eta^2$ = 0.012), which indicates a weak but statistically rather significant connection between the number of repeat visits to Istria to date and the influence of the economic crisis on the choice of accommodation.

No statistically significant differences (cf. Table 4) have been established between the sizes of places of origin within the measured level of influence of the economic crisis on tourists' choice of accommodation ( $\chi^2$  (3, N=800)=1.870; p=0.600).

**Table 4.** Differences between chosen tourists' characteristics in relation to the influence of the economic crisis on the choice of accommodation type

| Variable 1                | Variable 2           | Z       | p     |
|---------------------------|----------------------|---------|-------|
| German speaking countries | Italy                | - 6.524 | 0.000 |
| German speaking countries | United Kingdom       | - 6.558 | 0.000 |
| German speaking countries | Other countries      | - 4.248 | 0.000 |
| First visit               | More than six visits | - 3.261 | 0.001 |

Source: The authors' analysis on the basis of a questionnaire of the Institute of Agriculture and Tourism in Poreč, Department of Tourism, for the project "Valorisation of selective types of tourism within the sustainable development of rural areas", Poreč, 2009.

For testing multiple comparisons the Mann-Whitney U test was used together with the Bonferroni correction<sup>9</sup> for the control of alpha errors.

It is evident that as far as the level of influence on the choice of accommodation mode there is a statistically significant difference between German speaking countries as a group of countries of origin and Italy, the United Kingdom and the group of other countries, as the results show. No statistically significant differences have been established between other pairs of countries or groups of countries within the level of influence of the economic crisis on the choice of accommodation mode.

Tourists visiting Istria for the first time are statistically significantly different from those who have visited it six times or more, but not from tourists who have visited Istria two to five times in relation to the level of influence of the economic crisis on the choice of accommodation. No statistically significant difference has been established between other pairs of the observed number of tourists' visits to Istria to date within the level of influence of the economic crisis on the choice of accommodation.

## **5. MEASURES AND ACTIVITIES FOR SUCCESSFUL RESPONSE IN TIME OF CRISIS**

The conclusions of in-depth research regarding to what needs to be done in the destination in time of crisis can be summarized as follows:

- 1) In times of successful business, a positive business “environment”, tourism growth and so on, the managers of tourist firms, hotels, accommodations, together with tourism-supply stakeholders and all actors involved in creating a tourism offering, have to create a business plan for the time of crisis. This plan needs to include the measures to be taken in time of crisis and after the crisis, defining the amount of saving for that kind of case and consolidating activities which will influence the measures of city and county government needed for mitigating the effects of crisis (lower taxes, discounts in transportations and so on);
- 2) It is necessary to apply the appropriate methodology (marketing plan, defining new markets, advertising at fairs) in order to position the destination on the turbulent tourism market;
- 3) It is important to create a “steering committee” or similar body, consisting of all actors involved in creating a tourism offering, to conduct new theoretical and practical researches in tourism to prepare them for a similar crisis, as well as to conduct all activities needed to improve the tourism offering of a destination.

The proposed measurements, activities and recommendations should be in symbiosis with a scientific approach and practical background to overcome problems in the time of crisis.

## **CONCLUSION**

The development and improvement of the destination requires the use of appropriate methodology in order to position the destination in the turbulent tourism market. The fundamental question of how to be better and more successful than the competition in times of crisis is even more important. The research results analysed in this paper are a support to management planning and decision making in tourism. Theoretical knowledge gains its real value only when it is used in practice, while the problems that tourism is facing show the direction that new theoretical and practical researches in tourism should take.

The research results have shown that the economic crisis has not had a significant influence on the choice of destination, means of transportation and accommodation. Although a general influence has not been noticed, attention should be called to a weak but statistically highly significant connection between the influence of the economic crisis on the choice of Istria and the country of origin or the number of repeat visits to Istria to date, as well as a weak but statistically rather significant connection between the influence of the economic crisis on the choice of transport and the number of repeat visits to Istria to date or the country of origin. Furthermore, there has been established a mildly strong though statistically significant connection between the influence of the economic crisis on the choice of accommodation and the country of origin, in addition

to a weak but statistically rather significant connection between the influence of the economic crisis on the choice of accommodation and the number of repeat visits to Istria to date.

On the basis of the results of the empirical research and by using the example of the tourist destination of Istria, it is possible to formulate a general conclusion according to which tourism supply stakeholders and all actors involved in creating marketing presentations for segmented emissive tourism markets have to bear in mind that the level of influence of the economic crisis on the choice of destination and accommodation varies significantly among particular emissive countries, as well as in the number of tourist visits to Istria to date. Transport companies and other tourism offering providers, which depend on the means of transportation that tourists use to reach their holiday destinations, may find interesting the fact that the level of influence of the economic crisis on the choice of transport varies significantly depending on the number of tourist visits to Istria to date and among some emissive countries.

Since this article does not present a more detailed research on the quality aspect among countries or the number of tourist visits to date in relation to the influence that the economic crisis has on the observed decisions made by tourists, this could be the aim of future research.

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<http://www.istra.hr/hr/pr/statistika> (Tourist arrivals and nights by tourist offices, accessed the 20<sup>th</sup> of December 2009, at 09:25)

#### ENDNOTES

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<sup>1</sup> Total population of tourists visiting research sites from July to September 2009 was 919,611 with a 95% confidence level, a 50% response distribution, and a 2.91% margin of error. Data on tourists arrival was obtained from the web site of Istria Tourist Board, <http://www.istra.hr/hr/pr/statistika> (20.12.2009),

<sup>2</sup> According to the data of Tourist arrivals and nights by tourist offices 2008, Istria Tourist Board, <http://www.istra.hr/hr/pr/statistika> (20.12.2009.), from July to September 884,839 tourists arrived in the researched sites, which was 52.8% of total arrivals in Istria County for that period.

<sup>3</sup> Tourist arrivals and nights by tourist offices 2008, Istria Tourist Board, <http://www.istra.hr/hr/pr/statistika> (20.12.2009.)

<sup>4</sup> <http://www.croatia.hr/English/Lokacije/Smjestaj.aspx>, (20.12.2009.)

<sup>5</sup> 95% confidence limit

<sup>6</sup> The following preconditions were satisfied: a) random sample, b) independent results, 3) sample size (N>29), d) programme correction for respective ranks.

<sup>7</sup> The Bonferroni correction is calculated as a ratio between the risk level (0.05) and the maximum number of comparison possible in the Mann-Whitney U test and in this case it is 0.008333.

<sup>8</sup> Bonferroni correction is in this case 0.008333.

<sup>9</sup> Bonferroni correction is in this case 0.008333.

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